(b) the average level of investments made by the States and Centre separately during the period from 1st April, 1998 to 31st December, 1998?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): (a) Under the Prime Minister's Rozgar Yojana, projects up to Rs. One lakh are covered in case of individual entrepreneurs. If two or more eligible person join together in a partnership, project with higher cost (Maximum up to Rs. Five lakhs) are covered up to individual eligibility. The scheme does not lay down any specific proportion of expenditure on plant and machinery, other consumables, labour charges (wages), miscellaneous expenses, etc.? The expenditure on these components depends on the nature of unit/business set up.

(b) Under the Prime Minister's Rozgar Yojana, a major part of the project cost (about 80 per cent to 87.5 per cent) comes as loans from the banks. The Central Government provides subsidy at the rate of 15% of the project cost subject to a maximum of Rs. 7,500/- for individual beneficiaries. The subsidy is authorised to the Reserve Bank of India which is adjusted in the bank accounts of individual beneficiaries. The Central Government's assistance in the form of funds for training of beneficiaries and contingencies, etc., are released to States/UTs.

No direct investment is envisaged from State/UT Governments. The State Governments may provide necessary infrastructure support for setting up of the enterprises.

During the period from 1st April, 1998 to 31st December, 1998 Rs. 94 crores were authorised to the Reserve Bank of India by the Central Government for release to the implementing banks for meeting the subsidy requirements. The Central Government released an amount of Rs. 11.57 crores to States/UTs for training and contingencies, etc., during the period from 1.4.1998 to 31.12.1998 under the Prime Minister's Rozgar Yojana.

Opening of non-core sector for foreign investment

2076. SHRI C. RAMACHANDRAIAH: Will the Minister of INDUSTRY be pleased to state:

(a) the specific gains expected by opening up the non-core sector to foreign investment;

(b) whether there is deep divergence of opinion on the issue of MNC entry with 100 per cent FDI in the non-core sector;

(c) whether Government have made any effort to evolve a consensus on this issue;

(d) whether it would be in the long term interest of the economy to take rigid stand on contentious; and

(e) the steps proposed to evolve a consensus on the efficacy of opening up the non-core sector to 100 per cent FDI?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): (a) to (c) The Government policy on Foreign Direct Investment (FDI) is aimed at attracting foreign investment to supplement national efforts, especially in the core sector. In addition, activities such as consultancy services (including management, engineering & manpower), development of computer software and hardware, activities with forward and backward linkages with agro business and farm sector, etc. are also encouraged for FDI upto 100%. However, areas such as pure domestic trading (including retail trading) are not open to FDI. The gerneral FDI regime as also sector specific policies arc formulated keeping in mind national priorities and requirements.